

LEGISLATIVE COMMITTEE MINUTES

SB280

Bill as Introduced

SB 280-FN-LOCAL - AS INTRODUCED

2019 SESSION

19-0181
06/04

SENATE BILL

280-FN-LOCAL

AN ACT

relative to the cost of an adequate education.

SPONSORS:

Sen. Reagan, Dist 17

COMMITTEE:

Education and Workforce Development

ANALYSIS

This bill:

I. Changes the formula for determining the education tax rate.

II. Permits school boards to contract with religious affiliated schools to provide education for children who live in the school district.

Explanation:

Matter added to current law appears in ***bold italics***.

Matter removed from current law appears [~~in brackets and struck through~~].

Matter which is either (a) all new or (b) repealed and reenacted appears in regular type.

STATE OF NEW HAMPSHIRE

In the Year of Our Lord Two Thousand Nineteen

AN ACT relative to the cost of an adequate education.

Be it Enacted by the Senate and House of Representatives in General Court convened:

1 1 Education Tax. Amend RSA 76:3 to read as follows:

2 76:3 Education Tax. Beginning July 1, [2005] **2019**, and every fiscal year thereafter, the
3 commissioner of the department of revenue administration shall set the education tax rate at a level
4 sufficient to generate revenue [~~of \$363,000,000~~] **equal to \$7,500 per student based on the**
5 **average daily membership in residence as defined in RSA 189:1-d, IV** when imposed on all
6 persons and property taxable pursuant to RSA 76:8, except property subject to tax under RSA 82
7 and RSA 83-F. The education property tax rate shall be effective for the following fiscal year. The
8 rate shall be set to the nearest 1/2 cent necessary to generate the revenue required in this section.

9 2 Duty to Provide Education. Amend RSA 189:1-a, IV to read as follows:

10 IV. Pursuant to RSA 193:3, VI, a school board may execute a contract with any approved
11 [~~nonsectarian~~] private school approved by the school board as a school tuition program as defined in
12 RSA 193:3, VII to provide for the education of a child who resides in the school district, and may
13 raise and appropriate money for the purposes of the contract, if the school district does not have a
14 public school at the pupil's grade level and the school board decides it is in the best interest of the
15 pupil.

16 3 Definitions; Average Daily Membership in Residence. Amend RSA 189:1-d, IV to read as
17 follows:

18 IV. "Average daily membership in residence" means the average daily membership in
19 attendance of pupils who are legal residents of the school district pursuant to RSA 193:12 or RSA
20 193:27, IV and attend a state-approved public or nonpublic school [~~as assigned by the school district~~
21 ~~in which the pupil resides, or by the state,~~] or [~~attend an approved~~] **a state-approved** chartered
22 public school, **or are home educated pursuant to RSA 193-A:4.**

23 4 School Attendance; Compulsory Attendance by Pupil; Exceptions. Amend RSA 193:1, I(d) to
24 read as follows:

25 (d) The child is attending a public or private school located in another state which has
26 been approved by the state education agency of the state in which the school is located, or is
27 attending a [~~nonsectarian~~] private school located in New Hampshire that is approved as a school
28 tuition program by the school board pursuant to RSA 193:3, VII;

29 5 School Attendance; Change of School or Assignment. Amend RSA 193:3, VI and VII to read
30 as follows:

31 VI. [~~If there is no public school for the child's grade in the resident district,~~] The school

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1 board may assign the child to another public school in another school district or to any
2 [~~nonsectarian~~] private school that has been approved as a school tuition program by the school
3 board. The school board may execute a contract with an approved [~~nonsectarian~~] private school to
4 provide for the education of a child who resides in the school district, and may raise and appropriate
5 money for the purposes of the contract, if [~~the school district does not have a public school at the~~
6 ~~pupil's grade level and~~] the school board decides it is in the best interest of the pupil.

7 VII. In this section, "approved as a school tuition program" means a school that has been
8 approved and contracted by the school board to provide students with the opportunity to acquire an
9 adequate education as defined in RSA 193-E:2. Upon approval by the school board, the school shall
10 receive status as an approved school tuition program, shall be deemed in compliance with the
11 provisions of RSA 193-E:3-b, I(a) and (b), and shall qualify as a school approved to provide the
12 opportunity for an adequate education. The school shall be required to submit to the school board
13 an annual student performance progress report in a format selected by the school board, which may
14 include reporting of aggregate achievement data to protect student privacy, and that demonstrates
15 that students are afforded educational opportunities that are substantially equal in quality to state
16 performance standards for determining an adequate education. A private school that receives
17 tuition program students shall:

18 (a) Comply with statutes and regulations relating to agency approvals such as health,
19 fire safety, and sanitation;

20 (b) [~~Be a nonsectarian school;~~

21 ~~(e)] Be incorporated under the laws of New Hampshire or the United States; and~~

22 ~~{(d)}~~ (c) Administer an annual assessment in reading and language arts, mathematics,
23 and science as defined in RSA 193-C:6 to tuition program students. The assessment may be any
24 nationally recognized standardized assessment used to measure student academic achievement,
25 shall be aligned to the school's academic standards, and shall satisfy the requirements of RSA 193-
26 C:6 for school tuition program students. The school's annual assessment results for tuition program
27 students shall be submitted to the commissioner and school board. If the school enrolls 10 or more
28 publicly-funded tuition program students and if the school's group assessment percentile score for
29 tuition program students is less than the 40th percentile, the commissioner may require a site visit
30 to determine if the school provides the opportunity for an adequate education in accordance with
31 RSA 193-E:3-b. After the third consecutive year of a tuition program school being unable to
32 demonstrate that it provides an opportunity for an adequate education, the school may be subject to
33 revocation of tuition program status.

34 6 School Money; Adequate Education; Definition; Average Daily Membership in Residence".
35 Amend RSA 198:38, I to read as follows:

36 I. ~~(a)~~ "Average daily membership in [~~attendance~~] *residence*" or [~~"ADMA"~~] "*ADMR*" means
37 the average daily membership in [~~attendance~~] *residence*, as defined in RSA 189:1-d, ~~[III]~~ IV, of
38 pupils in kindergarten through grade 12, in the determination year, provided that no kindergarten

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1 pupil shall count as more than 1/2 day attendance per school year. [ADMA] *ADMR* shall only
2 include pupils who are legal residents of New Hampshire pursuant to RSA 193:12 and educated at
3 school district expense which may include public academies or out-of-district placements. For the
4 purpose of calculating funding for municipalities, the [ADMA] *ADMR* shall ~~not include pupils~~
5 ~~attending chartered public schools, but shall include pupils attending a charter conversion school~~
6 ~~approved by the school district in which the pupil resides.~~

7 ~~(b) For the purpose of calculating ADMA, each pupil who is home educated in~~
8 ~~compliance with RSA 193-A and who is enrolled in a school board approved public high school~~
9 ~~academic course shall count as an additional 0.15 pupil for each such academic course taken in a~~
10 ~~public high school. The department of education shall only make grant payments for such pupils to~~
11 ~~the extent of available appropriations. In this subparagraph, "public high school" shall have the~~
12 ~~same meaning as "high school" as defined in RSA 194:23] *be applied.*~~

13 7 School Attendance; District Liability for Tuition. Amend RSA 193:4 to read as follows:

14 193:4 District Liability for Elementary or Junior High School Tuition. Any district shall pay for
15 the tuition of any pupil who, as a resident of the district, has been assigned to attend a public
16 elementary or junior high school or school of corresponding grade in another district or a
17 ~~[nonsectarian]~~ private school approved as a school tuition program by the school board pursuant to
18 RSA 193:3, VII, and any district not maintaining an elementary or junior high school or school of
19 corresponding grade shall pay for the tuition of any pupil who, as a resident of the district, is
20 determined to be entitled to have such tuition paid by the district where the pupil resides, and who
21 attends an approved public elementary or junior high school or public school of corresponding grade
22 in another district, or a ~~[nonsectarian]~~ private school approved as a school tuition program by the
23 school board pursuant to RSA 193:3, VII. Except under contract, the liability of any school district
24 under this section for the tuition of any pupil shall be the current expenses of operation of the
25 receiving district for its elementary or junior high school or public school of corresponding grade, as
26 estimated by the state board of education for the preceding school year. This current expense of
27 operation shall include all costs except costs of transportation of pupils.

28 8 High School Tuition. Amend RSA 194:27 to read as follows:

29 194:27. Tuition. Any district not maintaining a high school or school of corresponding grade
30 shall pay for the tuition of any pupil who with parents or guardian resides in said district or who, as
31 a resident of said district, is determined to be entitled to have his or her tuition paid by the district
32 where the pupil resides, and who attends an approved public high school or public school of
33 corresponding grade in another district, an approved public academy, or a ~~[nonsectarian]~~ private
34 school approved as a school tuition program by the school board pursuant to RSA 193:3, VII. Except
35 under contract as provided in RSA 194:22, the liability of any school district hereunder for the
36 tuition of any pupil shall be the current expenses of operation of the receiving district for its high
37 school, as estimated by the state board of education for the preceding school year. This current
38 expense of operation shall include all costs except costs of transportation of pupils.

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1 9 Education Tax Credit; Department of Education; Requirements. Amend RSA 77-G:7, I to
2 read as follows:

3 I. The department of education shall determine the number of students receiving a
4 scholarship under RSA 77-G:1, VIII(a)(1) and (2) who were counted in the calculation of the average
5 daily membership in [~~attendance~~] **residence**, as defined in RSA 198:38, I, for schools, other than
6 chartered public schools, for the student's school district of residence and for each such student,
7 shall deduct the amount calculated under RSA 198:40-a from the total education grant amount
8 disbursed to the student's school district of residence calculated pursuant to RSA 198:40-a. This
9 adjustment shall be completed prior to September 1 of the program year after which the
10 scholarships are granted.

11 10 Kindergarten Grants. Amend RSA 198:48-c, I(b) to read as follows:

12 (b) For fiscal year 2019, once pupils enrolled in an approved full-day kindergarten
13 program have been counted in the school district's average daily membership in [~~attendance~~]
14 **residence** as defined in RSA 198:38, I, a school district, or a chartered public school based on its
15 kindergarten average daily membership enrollment number, shall receive, in addition to any funds
16 received pursuant to RSA 198:40-a, an additional grant of \$1,100 per kindergarten pupil attending
17 a full-day kindergarten program. The commissioner shall certify the amount of the grant to the
18 state treasurer and direct the payment thereof from the education trust fund established in RSA
19 198:39 to the school district or chartered public school.

20 11 Robotics Education Development Program. Amend RSA 188-E:24-a, V(a) to read as follows:

21 V.(a) If the amount of grant funds requested exceeds the balance in the robotics education
22 fund available in any year, the commissioner shall not prorate the grant awards, but shall assign
23 preference to those schools with a higher percentage of students in the school's average daily
24 membership in [~~attendance~~] **residence** who are eligible for a free or reduced-price meal as defined
25 in RSA 198:38. Secondary preference shall be given to schools which did not receive a grant in the
26 previous year due to lack of funds.

27 12 Effective Date. This act shall take effect April 1, 2020.

**SB 280-FN-LOCAL- FISCAL NOTE
AS INTRODUCED**

AN ACT relative to the cost of an adequate education.

FISCAL IMPACT: State County Local None

STATE:	Estimated Increase / (Decrease)			
	FY 2020	FY 2021	FY 2022	FY 2023
Appropriation	\$0	\$0	\$0	\$0
Revenue	\$0	Indeterminable Increase	Indeterminable Increase	Indeterminable Increase
Expenditures	\$0	Indeterminable Increase	Indeterminable Increase	Indeterminable Increase
Funding Source:	<input type="checkbox"/> General	<input checked="" type="checkbox"/> Education	<input type="checkbox"/> Highway	<input type="checkbox"/> Other

LOCAL:

Revenue	\$0	Indeterminable Increase	Indeterminable Increase	Indeterminable Increase
Expenditures	\$0	\$0	\$0	\$0

METHODOLOGY:

Effective April 1, 2020 (FY 2021 would be first year of impact), this bill changes the amount required to be raised through the statewide education property tax (SWEPT) from \$363,000,000 to \$7,500 per student based on average daily membership in residence, which would include home educated, public charter school, and nonpublic school students. The Department of Education does not collect data for home educated or nonpublic school students and therefore the impact of this bill cannot be determined at this time. However, for illustrative purposes only, factoring in only traditional public school students (FY 2020 preliminary data), this bill would have the following impact on SWEPT and grants to municipalities:

	Based on FY 2020 Preliminary Data (Traditional Public School ADM Only)		
	Current Law	Proposed	Increase / (Decrease)
Total Estimated Grant	\$551,561,257	\$0	(\$551,561,257)
Statewide Education Property Tax	\$363,246,023	\$1,245,761,114	\$882,515,091
Total Aid	\$914,807,280	\$1,245,761,114	\$330,953,834

AGENCIES CONTACTED:

Department of Education and Department of Revenue Administration

**SB 280-FN-LOCAL FISCAL NOTE
AS INTRODUCED**

AN ACT relative to the cost of an adequate education.

FISCAL IMPACT: State County Local None

STATE:	Estimated Increase / (Decrease)			
	FY 2020	FY 2021	FY 2022	FY 2023
Appropriation	\$0	\$0	\$0	\$0
Revenue	\$0	Indeterminable Increase	Indeterminable Increase	Indeterminable Increase
Expenditures	\$0	Indeterminable Increase	Indeterminable Increase	Indeterminable Increase
Funding Source:	<input type="checkbox"/> General	<input checked="" type="checkbox"/> Education	<input type="checkbox"/> Highway	<input type="checkbox"/> Other

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METHODOLOGY:

Effective April 1, 2020 (FY 2021 would be first year of impact), this bill changes the amount required to be raised through the statewide education property tax (SWEPT) from \$363,000,000 to \$7,500 per student based on average daily membership in residence, which would include home educated, public charter school, and nonpublic school students. The Department of Education does not collect data for home educated or nonpublic school students and therefore the impact of this bill cannot be determined at this time. However, for illustrative purposes only, factoring in only traditional public school students (FY 2020 preliminary data), this bill would have the following impact on SWEPT and grants to municipalities:

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AGENCIES CONTACTED:

Department of Education and Department of Revenue Administration

Committee Minutes

AMENDED TIME CHANGE

SENATE CALENDAR NOTICE Education and Workforce Development

Sen Jay Kahn, Chair
Sen Jeanne Dietsch, Vice Chair
Sen Jon Morgan, Member
Sen Ruth Ward, Member
Sen David Starr, Member

Date: February 7, 2019

HEARINGS

Tuesday	02/19/2019	
(Day)	(Date)	
Education and Workforce Development	LOB 103	9:00 a.m.
(Name of Committee)	(Place)	(Time)

9:00 a.m. **SB 276-FN-A** relative to career readiness credentials for high school students.

9:45 a.m. **SB 281-FN-A-LOCAL** relative to mental health services for schools and making an appropriation therefor.

10:00 a.m. **SB 302-FN** relative to suspension and expulsion of pupils.

10:30 a.m. **SB 253-FN** relative to statewide deployment of a real-time threat notification system for schools.

11:00 a.m. **SB 309-FN-LOCAL** relative to stabilization grants for education.

11:30 a.m. **SB 280-FN-LOCAL** relative to the cost of an adequate education.

EXECUTIVE SESSION MAY FOLLOW

Sponsors:

SB 276-FN-A

Sen. Kahn
Sen. Hennessey
Rep. Ladd

Sen. Rosenwald
Sen. Levesque
Rep. Luneau

Sen. Chandley
Sen. Cavanaugh
Rep. Le

Sen. Sherman
Sen. Feltes

SB 281-FN-A-LOCAL

Sen. Birdsell
Rep. Potucek

Sen. Bradley

Sen. Carson

Rep. O'Connor

SB 302-FN

Sen. Hennessey

Sen. Levesque

SB 253-FN

Sen. Watters
Rep. Ladd

Sen. Kahn
Rep. Cordelli

Sen. Hennessey
Rep. Edwards

Sen. Levesque

SB 309-FN-LOCAL

Sen. Birdsell
Sen. Gray
Rep. O'Connor

Sen. Giuda
Sen. Morse
Rep. Chirichiello

Sen. Bradley
Sen. Starr
Rep. Eisner

Sen. Carson
Sen. Ward

SB 280-FN-LOCAL

Sen. Reagan

Tricia Melillo 271-3077

Jay Kahn
Chairman

Senate Education and Workforce Development Committee
Tricia Melillo 271-3077

SB 280-FN-LOCAL, relative to the cost of an adequate education.

Hearing Date: February 19, 2019

Members of the Committee Present: Senators Kahn, Dietsch, Morgan, Ward and Starr

Members of the Committee Absent : None

Bill Analysis: This bill:

I. Changes the formula for determining the education tax rate.

II. Permits school boards to contract with religious affiliated schools to provide education for children who live in the school district.

Sponsors:
Sen. Reagan

Who supports the bill: Jennifer DiMaria, Gale Taylor

Who opposes the bill: Barrett Christina, Rick Trombly, Margaret Campbell, Bonnie Dunham, Judith Reed, John Freeman, Mary Wilke, Maureen Prohl, Karen Hatcher, Jason Benware, Liz Tentarelli, Doug Hall

Who is neutral on the bill: John Tobin,

Summary of testimony presented in support:

Senator Reagan

- This legislation raises the adequacy amount to \$7,500 per student.
- Senator Kahn asked if he has a fiscal note and could he explain how it extends aid to schools beyond what is currently provided. Senator Reagan replied that he does not have a fiscal note and this bill raises the amount given from \$3,600 to \$7,500, which is the lowest amount for tuition that they found while doing the research for this bill.
- Senator Kahn asked if this bill will extend an opportunity to attend a private school with this assistance going to that private school. Senator Reagan replied that it would.
- Senator Morgan asked how the \$7,500 would impact the city of Berlin where the average per pupil reimbursement is around \$10,000. Senator Reagan replied that they would still get the \$10,000, the \$7,500 is just the base amount of adequacy aid.

- Senator Dietsch asked if this will extend adequacy funding from taxpayers to private and religious schools. Senator Reagan replied that it would for any qualified school that meets standards set by statute and rules of the NH Department of Education.
- Senator Kahn commented that there are about 12,000 students attending private schools in the state currently. Senator Reagan agreed.

Summary of testimony presented in opposition:

Doug Hall

- This legislation will not change the per pupil base cost to \$7,500.
- On lines 3 and 4 it sets the tax rate equal to generate this money, but it does not require any of those funds to go to the state to pay for the increase, it stays within the community.
- The bill has good intentions but the way it is written does not accomplish them.
- They should amend the bill so that the 1.2 billion generated goes into the education trust fund and amend it to the actual per pupil base of \$7,500

John Freeman

- In the long term this legislation does not fix the problem of school funding and it keeps the system of inequality in place.
- Pittsfield has been behind other school districts for years and years. The equalized average is 45 percent of the statewide average.
- Pittsfield teachers have the 3rd lowest salary in the state and they lose good staff because of this statistic.

Judith Reed

- She agrees that school districts in NH are struggling.
- The national center for Education Statistics Report looks at a measure of fairness in education funding. It looks at how much more is spent per pupil in districts with high poverty versus those in wealthy districts. They gave NH a D. High poverty districts in NH spend less money per pupil than wealthy districts when in most other states it is the opposite.
- There are three problems in this legislation. 1) It falls far short of the amount actually needed for an adequate education. 2) The bill never explicitly requires the base adequacy amount paid by the state to be set at \$7,500. 3) The use of state funds to pay for religious schools and other private schools is simply wrong and surely would be found unconstitutional.
- The use of state funds to tuition children to private schools draws funding away from public schools that are already desperate for additional funding.

Mary Wilke

- Home schools have no transparency to the tax payers.
- It is clearly against the constitution to send a child to a religious school with tax payer funds.

Maureen Poole

- Her understanding of the bill is that all students from kindergarten to twelfth grade would receive the increase of funds.
- Her issue is that there is no accountability for home school children and they would have no idea where the tax payer's money is going.
- Accountability is also lacking in section seven. It states that schools or tuition programs may select to use standardized procedures. This language is too loose to be spending money on unmonitored programs.
- If parents are receiving tax payer money there should be a standard way of measuring the progress of the students.

Neutral Information Presented:

John Tobin

- There are a lot of people concerned about the school funding problems. He implores them to pay attention to this problem and this bill, if amended could help.

TM

Date Hearing Report completed: February 27, 2019

Speakers

Testimony

Testimony on SB 309 & SB 280, Relative to State Education Funding

February 19, 2019

Judith Reed, Ed.D., Keene NH

jureed@keene.edu

I am Judith Reed from Keene NH. I am a former classroom teacher, school administrator, and for the past 20-some years a professor of Teacher Education in the University System of NH. I am also the parent of two adult children with developmental disabilities, both of whom were educated in NH public schools.

NH is a relatively wealthy state. We are in 5th place nationally in terms of per capita personal income, and 9th in taxable resources. Yet we are tied for 49th place in percentage of public school funding provided by the state, and our reliance on property taxes is second highest in the nation.

Parenthetically, let me say a word about property taxes. This is arguably the most regressive kind of tax possible. It is paid in full, at the same rate, by every resident who either owns a home or rents one. (Renters of course have to pay enough to cover the landlord's taxes.) There is no abatement for someone on a fixed income, or a poverty level income, or someone with no income at all. Our federal income tax system is still relatively progressive (despite serious regressive changes recently), in that the more you earn, the higher your rate of taxation is. Plus, people at the very bottom pay no income taxes at all or may get a small earned income credit. In contrast, a system of statewide property taxes collects funds from every single household at the same rate, regardless of their ability to pay. Our huge reliance on property taxes is shameful.

The National Center for Education Statistics has created a measure of fairness in education funding. It looks at how much more is spent per pupil, from all funding sources, in districts with high poverty versus those without much poverty. On this measure, NH gets a grade of "D". High poverty districts in NH spend *less* money per pupil than wealthy districts, when in most states high-poverty districts are able to spend *more* money per pupil, sometimes much more.

These data are from The National Center for Education Statistics, "Public School Revenue Sources" (last updated April 2018) https://nces.ed.gov/programs/coe/indicator_cma.asp

We are not first in the nation, but nearly dead last when it comes to how we finance our children's education. SB 309 takes a baby step toward somewhat ameliorating the deplorable and shameful situation we have lived with for far too long. The reduction in stabilization grants is crushingly devastating for school districts in property-poor municipalities. Stabilization grants should be retained, as the bill proposes. However, the amounts lost to those districts through past reductions should be restored, something SB 309 as currently written fails to do.

Over 20 years ago, the State Supreme Court tasked the NH legislature to (first) determine the cost of an adequate education and (second) to make sure that that amount of money was provided

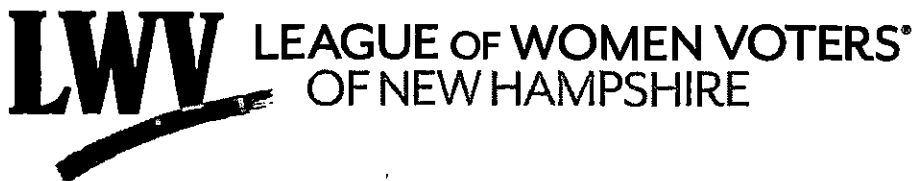
for each and every child during their 13 years in the public education system. The first step has still never been taken. The per-pupil figures proposed in SB 280 appear to be baseless. There is no rationale given for the amount to be provided by the state. It is somewhat more than the amount now provided, and for that reason it has some limited merit. However, there are three problems with SB 280. First, it falls far short of the amount actually needed for an adequate education, by any measure. Second, though the bill would set the education tax rate at a level sufficient to generate revenue equal to \$7,500 per student, it never explicitly requires the base adequacy amount paid by the state to be set at \$7,500. Finally, the use of state funds to pay for religious schools and other private schools is simply wrong and surely would be found unconstitutional, and for that reason alone the bill as written should be voted Inexpedient to Legislate.

Good Morning Senator Kahn,

Previously, an FN was not complete as we were awaiting a response from DOE since January 10th. We did receive a DOE response yesterday afternoon (2/20). Due to work in House Finance, and the time required to complete the FN, it will not be ready for your hearing this morning. However, below is a quick synopsis of the potential fiscal impact:

1. **SWEPT REVENUE**: DOE estimates this bill will increase SWEPT collections from \$363.3M to \$1,245.8M , an increase of \$882.5M
2. **EDUCATION GRANTS**: Since Total Adequate Education grants are reduced by the amount of SWEPT raised by each city and town, this bill would eliminate education grants entirely.
3. **STATE EDUCATION AID (INCLUDING SWEPT)**: Assuming locally raised and retained SWEPT collections at \$1,245.8M compared to estimated aid at \$914.8M (\$551.6M Grants + \$363.2M), total State Education Aid would increase by approximately \$331M. State Aid would consist entirely of SWEPT collections raised and retained locally.
4. **LOCAL EXPENDITURES**: The bill would increase the portion of local education expenditures funded through SWEPT by \$331M. Depending on the city or town, this increase would have an impact on the portion of education expenditures funded through the local property tax.
5. **CHARTER, HOME, AND PRIVATE SCHOOL STUDENTS**: The bill would allow for charter school, home school, and private school students to be included in the ADM used to calculate the cost of Adequacy. DOE did not provide the impact of this change on Adequacy grants, however, these costs would most likely be covered by the increase in SWEPT proposed in the bill.
6. **RELIGIOUS AFFILIATED PRIVATE SCHOOLS**: This bill would also allow school boards to contract with religious affiliated private schools. This provision is not a mandate, rather an allowable option granted to local school boards. As a result, this provision would not have a direct fiscal impact, as any impact would depend on a local decision and would not be mandated by the bill.

A fiscal note will be completed by early next week but will contain much of the information stated above. I hope this information proves helpful to the Committee this morning.



4 Park St Room 200
Concord, NH 03301

www.LWVNH.org

February 19, 2019

To: Senate Education and Workforce Committee

From: Liz Tentarelli, president, League of Women Voters NH LWVNewHampshire@gmail.com

Re: SB 280-FN-LOCAL Education Funding

The League of Women Voters NH has a position in support of the state of New Hampshire funding the cost of an "adequate education" as ordered by the courts. Thus **we support raising the ADMR amount to \$7,500**, a realistic figure in light of the actual average cost of education around the state.

Where we have a problem is using state funds, no matter whether the proposed \$7,500 or the current \$3,636, to pay for religious schools or to go to families who choose to do unsupervised home education. Our public schools may not be working as we would wish for every child, but it is not in the interests of improving our public schools to give scarce state moneys to alternative education systems. **We oppose the rest of the bill.**

The so-called Croydon bill of the past session was a common sense way to provide schooling to students in small towns that did not have the full complement of grades in their own public school districts. The bill wisely limited using state money for tuitioning students to other schools to other public schools or non-sectarian private schools. The bill recognized that a private kindergarten just a few miles away made more sense pedagogically, socially, and fiscally than transporting students many miles to a public school with seats available.

I would suggest that if this committee were to investigate how many school districts fall under the Croydon bill they would probably not find a religious school to be the only logical tuitioning choice.

Please keep in mind the separation of church and state in our constitution and **amend SB280 to go back to the wording in the Croydon legislation.**

As for **funding home education at \$7,500 per child**, I can't figure out where that money is going. Page 1 lines 18 to 22 lumps home educated pupils with those who attend approved schools, but makes no mention of where that funding goes in the case of the home-schooled child. Is it to the school district that accepts home educated pupils for some classes or extra-curricular activities? Does it go to the parents, who under current NH law are not required to submit curriculum plans or assessments to any entity? That would be just a give-away with no assurance of education actually happening or costing \$7,500. If state money is to go to home education, then home educators must agree to oversight and fiscal accounting. **Until that is done, drop the financial incentive to parents to pull their children from the public schools.**

Memorandum

To: Senate Ways and Means Committee
From: John Tobin
Re: SB 280 – Expanding the Statewide Education Property Tax (SWEPT)
Date: February 19, 2019

Thank you for the opportunity to speak to you today about this bill. Before retiring, I worked at NH Legal Assistance for thirty-eight years as a staff attorney and then as executive director. During that time I represented many elderly, disabled, and unemployed homeowners who were unable to pay their property taxes due to lack of income and as a result were in danger of losing their homes. I also worked on the Claremont school funding case, focusing on the issue of disproportionate property tax rates. In the past eight months, I have been part of an effort to bring the issue of school funding and inequitable property tax rates into the forefront of public discussion and debate in our state. With that background, I want to explain how this bill fits into the larger school funding context and how it could be amended to make a significant improvement in the current system.

1) The NH Constitution sets two core requirements for K-12 public education:

- **The State has a duty to pay for the cost of a constitutionally adequate education for every K-12 public school student;**
- **The taxes that the State uses to pay for this education must have a uniform rate across the state.**

2) The State Legislature has enacted comprehensive standards for an adequate education, but the amount of aid the State provides to meet these standards is woefully insufficient.

While the average annual per pupil cost was \$15,865 in the 2017-2018 school year, the State's main "adequacy grant" provides only \$3,636 per year, with small additional grants for children who qualify as from low-income families, receive special education, or are English language learners. As you have already heard in the hearing on SB 309, some school districts receive "stabilization grants," although these grants are being reduced by 4% each year. Even when all of these state grants are added together, the State pays only about 20% of the cost of education.

3) More than 70% of the cost of educating our children is paid by local property taxpayers at tax rates that are wildly disproportionate from town to town. For example, in the 2017-2018 school year, the Rye School District spent \$23,123 per pupil, while the total equalized rate of state and local school property taxes was only \$5.85. In Pittsfield, the per-pupil spending was \$16,161, but the combined education tax rate was \$19.89. This great disparity occurs because the equalized value of property in Rye in 2017 was \$3,816,244 per student, but in Pittsfield the equalized value per student was only \$469,344.

- 4) The current statewide education property tax (SWEPT), the subject of SB 280, is limited by statute and is currently assessed at only a little more than \$2.00 per thousand dollars of assessed valuation. In its current format, collected and spent locally, it functions as just a small component (10%) of the local education property tax.**
- 5) Towns with a great deal of valuable property (“property wealthy”) can raise enough money to spend generously on their students, even while their tax rates remain low.** Because of the great disparities in property wealth from town to town, taxpayers in the property poor towns like Pittsfield pay much higher rates but are able to raise much less for their schools than districts with lake-front property, ski resorts, or very valuable coastline.
- 6) Taxpayers in property-poor towns make much greater financial sacrifices for their students, but they struggle to raise enough money to meet their schools’ basic needs.** In recent years, many of these school districts have been laying off teachers and other employees, delaying building maintenance, skimping on equipment, eliminating classes, and losing talented and experienced teachers to other districts which can afford to pay higher salaries.
- 7) This funding system discourages economic growth in many towns and cities across the state.** Why would a new business open in a town with high tax rates? And business owners in property-poor towns with high tax rates feel financially pressured to relocate.
- 8) The funding system also discourages young families from moving to school districts with high property taxes and struggling school systems,** and it prompts local officials to discourage the creation of affordable workforce housing for young families because of the impact of additional children on school budgets.
- 9) For more than a decade, the Legislature and NH’s governors have allowed this problem to get worse.** In fact, they have continued to downshift costs by reducing stabilization aid and discontinuing pension contributions.
- 10) A number of school districts are already in crisis, with many more to follow.** This problem is harming school budgets and pushing up school property tax rates in New Hampshire’s largest cities and countless towns in all regions of the state.
- 11) As proposed, SB 280 would increase the portion of the education tax that would be considered as part of SWEPT, but it would not do anything address the greatly disproportionate tax rates.** If the bill was amended to require that all funds generated by SWEPT be sent to the State for redistribution and to require the state to provide \$7,500 per student to all school districts, it would significantly reduce the current unfairness and disparities.
- 12) As you consider SB 280 and the other school funding bills that come before you, please use this opportunity to address the long simmering issues of disproportionate education property taxes and inequitable school funding.**

Thank you for the opportunity to offer testimony here today. My name is Karen Hatcher. I am a resident of Peterborough, serve on the Peterborough Select Board and am a representative on the Selectmen's Advisory Committee to the ConVal School District. I also run a nonprofit educational organization that provides agricultural education to the students of the ConVal district.

Property taxpayers continue to unfairly bear the burden of paying for education; 68% of the total bill at this point in our town. The increasing stress of downshifting costs from the state is challenging even the most fiscally prudent school boards to put forward budgets that towns will pass. Even in a cooperative school district such as ours, our members towns are struggling to find a way to continue to offer the quality educational experience our residents have come to expect for their children. Important programs like ours are the first to be cut when budgets fail.

On the whole, members of our community value public education and we are willing to support it, but we also believe the state should pay its fair share. When the average cost of educating one student is \$15,000 largely due to unfunded mandates from the state and federal government, it is only fair that this burden be shared by all of us who benefit by living in a state with well-educated children and future workforce.

I am heartened to see so many bills being introduced to address this challenge, but getting the legislation right is important. I believe that SB280 should be amended to

ensure that the \$7,500 per pupil that would be raised under it is actually paid out to districts by the state, as the base adequacy amount.

Additionally, permitting school districts to send students and public funds to religious schools, taking that \$7,500 per student in funding away from districts at a time when three quarters of them are struggling to meet basic requirements, seems like plugging the dike with one hand, while digging new holes with the other. I believe we must shore up funding for public schools who serve 90% of our students first. Once we have reached an equitable model, allowing districts to recover from the cuts that have been made for decades, then it will be time to talk about nonpublic school funding.

This bill provides a short-term fix that will help plug the hole in the dike. Truly fixing NH's education funding problem will require deep thinking and using the experience and best practices of other states who have solved this problem, which I hope will be the goal of the commission currently under consideration in the house.

We have the opportunity to take the first step toward providing a fair solution to our funding crisis. I ask that you support any legislation that moves us toward fairness in our funding system. Thank you for your time and consideration.

Karen Hatcher

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Testimony on SB 280

Doug Hall, Chichester, NH doughallnh@comcast.net

February 18, 2019

I support the idea in this bill that requires DRA to set the Statewide Education Property Tax (SWEPT) rate at a level sufficient to raise \$7,500 per pupil. By my calculations in the current year that would have required the SWEPT to raise \$1.257 billion instead of \$363 million.

Unfortunately, however, this will not solve the gross constitutional violation and inequities in the current school funding system. Two changes to the bill are needed.

First, amend the bill to ensure that the SWEPT funds from all municipalities are deposited in the Education Trust Fund for distribution to the school districts on the basis of the State's distribution formula.

Second, amend the bill so that the amount defined as the base pupil cost per pupil in the current formula is the same \$7,500 that is used in setting the SWEPT rate.

With these two changes, the money anticipated to be raised by this bill will actually help equalize the opportunity for an adequate education for students in all towns and cities in New Hampshire. Without the necessary amendments it will fail in that effort.

A second aspect of SB280 is that it will allow school districts to tuition students into sectarian schools. I am sure that you will hear much testimony in favor and in opposition to that separate change. My concern today is to ensure that this bill, if it were to become law, actually helped equalize educational opportunity.

Voting Sheets

**Senate Education & Workforce Development
Committee
EXECUTIVE SESSION RECORD
2019 Session**

Bill # 280-FN

Hearing date: 2-19-19

Executive Session date: 2-21-19

Motion of: ITL Vote: 4-1

Committee Member	Present	Made by	Second	Yes	No
Sen. Kahn, Chair	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Sen. Dietsch, Vice Chair	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Sen. Morgan	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Sen. Ward	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Sen. Starr	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>

Motion of: _____ Vote: _____

Committee Member	Present	Made by	Second	Yes	No
Sen. Kahn, Chair	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Sen. Dietsch, Vice Chair	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Sen. Morgan	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Sen. Ward	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Sen. Starr	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Motion of: _____ Vote: _____

Committee Member	Present	Made by	Second	Yes	No
Sen. Kahn, Chair	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Sen. Dietsch, Vice Chair	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Sen. Morgan	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Sen. Ward	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Sen. Starr	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Reported out by: Sen Kahn

Notes: _____

Committee Report

STATE OF NEW HAMPSHIRE

SENATE

REPORT OF THE COMMITTEE

Thursday, February 21, 2019

THE COMMITTEE ON Education and Workforce Development

to which was referred **SB 280-FN-LOCAL**

AN ACT relative to the cost of an adequate education.

Having considered the same, the committee recommends that the Bill

IS INEXPEDIENT TO LEGISLATE

BY A VOTE OF: 4-1

Senator Jay Kahn
For the Committee

Tricia Melillo 271-3077

Docket of SB280

Bill Title: relative to the cost of an adequate education.

Official Docket of SB280.:

Date	Body	Description
1/29/2019	S	Introduced 01/03/2019 and Referred to Education and Workforce Development; SJ 4
2/7/2019	S	==TIME CHANGE== Hearing: 02/19/2019, Room 103, LOB, 11:30 am; SC 10
2/21/2019	S	Committee Report: Inexpedient to Legislate, 03/07/2019; SC 12
3/7/2019	S	Sen. Watters Moved Laid on Table, RC 14Y-10N, MA; 03/07/2019; SJ 7
3/7/2019	S	Pending Motion Inexpedient to Legislate; 03/07/2019; SJ 7

NH House

NH Senate

Other Referrals

Senate Inventory Checklist for Archives

Bill Number: SB 280-FN-L

Senate Committee: Ed + WFD

Please include all documents in the order listed below and indicate the documents which have been included with an "X" beside

Final docket found on Bill Status

Bill Hearing Documents: {Legislative Aides}

Bill version as it came to the committee

All Calendar Notices

Hearing Sign-up sheet(s)

Prepared testimony, presentations, & other submissions handed in at the public hearing

Hearing Report

Revised/Amended Fiscal Notes provided by the Senate Clerk's Office

Committee Action Documents: {Legislative Aides}

All amendments considered in committee (including those not adopted):

___ - amendment # _____ ___ - amendment # _____

___ - amendment # _____ ___ - amendment # _____

Executive Session Sheet

Committee Report

Floor Action Documents: {Clerk's Office}

All floor amendments considered by the body during session (only if they are offered to the senate):

___ - amendment # _____ ___ - amendment # _____

___ - amendment # _____ ___ - amendment # _____

Post Floor Action: (if applicable) {Clerk's Office}

___ Committee of Conference Report (if signed off by all members. Include any new language proposed by the committee of conference):

___ Enrolled Bill Amendment(s)

___ Governor's Veto Message

All available versions of the bill: {Clerk's Office}

___ as amended by the senate ___ as amended by the house

___ final version

Completed Committee Report File Delivered to the Senate Clerk's Office By:

Committee Aide

Date

Senate Clerk's Office JM